

The Creation of

Dakota Lamb Growers Cooperative

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We are in the business of producing, processing and marketing natural lamb meat.

- Market to upscale retail grocery and natural food stores
- Del iver nation wide large quantities consistently and efficiently
- Identified eating experience factors and empl oy them all
- Source verified and individual identity preservation
- Only assets owned are our brand name and reputation

History of

Dakota Lamb Growers Cooperative

- Concept was born at grower wool cooperative meeting in 1996
- Incorporated in 1999 with 7 grower Members serving as board
- First equity drive fall of 2000
- First customer March 2001
- Second equity drive March 2002
- Positive gross margin June 2002

Demographics

- Closed cooperative only grower investors can market lamb
- 184 members and 20,273 subscribed I amb
- Members in North Dakota, South Dakota, Montana, Minnesota
- Processor Located in small town in southeast South Dakota
- Office I ocated in small town in southwest North Dakota

Research Findings

- Get as close to the consumer as you can with your product
- Differentiate your product as much as you can
- Know what the consumer wants
- Know what the customer wants
- Service Service Service

Grower Delivery

- Grower responsible for delivery to combination receiving station – feedl ot
- Receiving station manager grades I ambs weekly
- Not all lamb in a group finish in the same week
- Receiving station manager delivers lamb to processor
- Lambs that will never qualify are sold at a commodity market
- Grower has delivery options with receiving station-feedl ot and transportation

Processing Center

- Located in southeast South Dakota
- Process Glatt kosher lamb, beef, bison
- Processor purchases extra front half of the lamb from DLGC at the plant
- Mutually beneficial alliance

Marketing

- Main issue of any business
- Finding a good marketer
- Our marketer has 25 years experience in perishable food and natural meats
- Markets two other meat proteins with our lamb
- Marketing mul ti-species meat proteins together creates several efficiencies

Lamb Specifications

- Lambs are raised following a written protocol signed by grower
- Affidavits signed by the grower upon delivery that protocol was followed
- Processor signs an affidavit I amb was never commingled with any other
- Complete cleanup occurs before our lambs are processed
- Label Statement: "Raised in the USA from birth without antibiotics, growth stimul ating hormones or fed animal byproducts."

Identity Preservation

- Dupl icate bar code ear tags for each live animal
- Beginning of processing ear tags are replaced with carcass bar code tag
- Growers purchase ear tags from DLGC
- DLGC records the numbers with the grower for future reference
- Weight and grades of each carcass are correlated with ID number
- Payment to grower is accompanied by carcass value report
- Grower receive financial incentive for exceeding standards

Summary

We are a leader in control led production methods to meet the consumer's demands.

- The consumer wants convenience...
 we provide it with ready to cook product.
- The consumer wants safety... we use source verification with a production protocol.
- The consumer wants a great eating experience every time . . . we control the factors, which contribute to it.
- The consumer wants the product year around . . . we supply it with our grower breeding and feed program.
- The consumer wants value...
 we give it by the efficiencies of control ling the product
 to the consumer's supplier.